

U.S. Department of Labor



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Employment and Training Administration REGION V - The Great Heartland

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TO: Region V Welfare-to-Work (WtW) State Contacts
Region V Welfare-to-Work (WtW) Competitive Grantees

FROM: Lisa Rosendale, Supervisor, Office of Adult Services

DATE: April 16, 2002

SUBJECT: New Welfare-to-Work (WtW) Flexibility for the Unemployed and Low-Income

Last fall we saw layoffs and Unemployment Insurance claims jump to their highest levels in nine years. While many people qualify for Unemployment Insurance payments to meet their needs, others do not qualify, and still others may exhaust benefits before finding a new job.

On March 22, 2002, the Department released revised Q&As that allow for more flexibility in the use of WtW funds for more activities. Below are some highlights from the "Allowable Activities" section of the new Q&As that are particularly relevant as you try to assist people who need income support and/or may otherwise not have been eligible for WtW. Since these are only highlights, we encourage you to read through all of the new Q&As. The full text of all the Q&As can be found at <http://wtw.doleta.gov/qsanda.asp>.

- **Cash Payments.** WtW funds may now be used to provide cash payments to participants in three carefully defined situations: retention-related work support payments, training support payments, and matching payments for Individual Development Accounts (IDAs) or other asset-building accounts.
 - **Retention-related Work Support Payments (AA#13(c)).** These payments are supplemental work support payments paid to participants who have been placed in unsubsidized employment to help them purchase the services and products (e.g., meals at work, uniforms, work tools, transportation, etc.) necessary to retain a job. These payments are required to be linked to retention and career advancement and can be provided over a long period of time until they are replaced by increased wages. Welfare-to-Work program operators must have a written policy in place outlining the parameters of such cash payments.
 - **Training Support Cash Payments (AA#13(b)).** These payments are intended to provide additional support for individuals in stand-alone training or in post-

employment activities concurrent with part-time employment who may not have any sources of income, such as non-custodial parents. Please note that it is likely that training support payments would be considered “WtW cash assistance” under TANF and count against a participant’s durational time limits. Welfare-to-Work program operators must have a written policy in place outlining parameters of cash payments.

- **Matching payments for IDAs or other asset-building accounts (AA#13(a)).** Welfare-to-Work program operators may use their WtW funds to match contributions made to a participant’s IDA established in accordance with section 404(h) of the Social Security Act or other asset-building account that is consistent with the purposes of the WtW program and is established under the state TANF program.

Please note that WtW funds still cannot be used to provide participants with direct cash incentives.

- **Transportation-related Expenses (AA#21(b)).** The Department is lifting the one-time only expenditure rule regarding transportation related costs (e.g., car repairs) in favor of allowing the development of State and local policy. When developing policy, States and locals are required to attach reasonable expenditure limits to these services and to be in accordance with the operating entity’s overall policies regarding WtW support service expenditures.
- **Youth Services (AA#34).** While a youth under the age of 18 could always be enrolled and served by the WtW program if (s)he meets the WtW eligibility criteria, the new Q&As now allow grantees to serve a youth who is the child of a parent who is enrolled and currently being served in the WtW program.

We also wanted to take this opportunity to highlight ways in which people may be eligible for Welfare-to-Work. You may find many people looking for work who may not have been eligible last fall, but may be eligible today.

- **Primary Eligibility category, formerly the 70% provision:**
 - **TANF recipient who has received TANF/AFDC for at least 30 months or within 12 months of reaching a durational TANF time limit.** As people increasingly turn to TANF to meet their needs, we expect to find that more people will become eligible under this category. It is important to remember that TANF receipt for purposes of WtW eligibility is not limited to TANF cash assistance. The WtW program considers TANF-funded (Federal TANF funds or State MOE funds) services such as child care and transportation to be “TANF assistance” for the purposes of WtW eligibility. Please note that individuals who are receiving TANF diversion payments and/or services at the time of determining eligibility are considered recipients of TANF assistance, too. When calculating TANF/AFDC assistance, don’t forget that TANF/AFDC assistance does not have to be consecutive and that the length of

TANF/AFDC receipt is calculated in monthly increments. Therefore, an individual need not receive assistance every day of a month to qualify as having received a month of assistance. Please refer to the TANF Assistance desk tool for more information. The document can be found at http://wtw.doleta.gov/documents/tanf_tool.asp.

- **Non-custodial Parents who are unemployed, underemployed or have difficulty making child support payments.** It is very likely that more people will meet these criteria now.
- **Other Eligibles category, formerly the 30% provision:**
 - **Custodial Parent(s) with income below the poverty line.** Income is calculated using total family income for the last six months with some specified income exclusions found in 645.213(c)2 of the WtW Final and Interim Final Rule. Therefore, individuals who would not be eligible immediately after losing their job may be served through other systems (e.g., WIA), and then may later become eligible for WtW if time passes and they continue to be unemployed or underemployed.
 - **TANF recipient who has significant barriers to self-sufficiency as established by the Local Board (WIB).** Local boards and WtW program operators in the local area may want to verify that their “significant barriers” list is complete enough to serve the people who will turn to TANF in the absence of UI.

As you well know, your success in finding these potential clients depends on your connections to the other public assistance systems that serve low-income individuals— UI, WIA, ES, and TANF. We encourage you to continue to build these relationships in your efforts to help people find decent jobs.

Please share this information with all WtW program operators. Please feel free to contact your GOTR if you have any questions or need more information.